

and the failure to compensate these owners. The need for this law, providing some measure of relief to American property owners, was apparent.

In some cases negotiations between the United States and certain Communist governments have resulted in claims settlement agreements whereby the expropriating government has agreed to pay the U.S. Government a lump sum in settlement for the losses suffered by U.S. citizens.

The first agreement of this nature was concluded with the Yugoslav Government under the Yugoslav Claims Agreement of 1948. The International Claims Settlement Act was enacted to implement this agreement by establishing a commission to adjudicate these claims and to provide certain adjudication procedures.

The act also provided the machinery necessary to adjudicate claims of American citizens included within the terms of any claims settlement agreement concluded thereafter between the Government of the United States and a foreign government.

Several weeks ago some of these agreements were discussed before the Subcommittee on Europe in connection with another bill which proposes to implement these agreements by amending titles I and III of the International Claims Settlement Act. It should be noted that such agreements were concluded after the completion of the claims programs previously authorized by the Congress.

According to information available to the Commission, the taking of American-owned property in China began in 1949, and after the outbreak of the Korean war the Chinese Communist regime assumed control of all U.S. property pursuant to a decree issued by that regime on December 29, 1950. No settlement of these claims has been made.

It is the Commission's opinion that the enactment of the program as proposed under S. 3675 appears to be the only orderly procedure to liquidate the damages sustained by American citizens who have suffered losses at the hands of the Chinese Communists.

The practical result in allowing a presettlement adjudication of these claims at this time is that all such claims will have been thoroughly investigated and determined, while witnesses, memories, and records are still available and reliable.

Historically, the Commission has learned from experience that long delays, in the initiation of claims legislation of this type, have a tendency to increase the burdens of adjudication. As a result of a more than reasonable lapse of time, which has typified a number of previous claims programs, many claims have been found difficult to substantiate, either by reason of the unavailability of records or witnesses, even when the claimant or the Commission had access to the foreign countries. The difficulties are more apparent in countries such as Czechoslovakia and Hungary where there was a total lack of cooperation or access to documents and witnesses.

Claimants under this proposed program already have waited some 16 years for determination of their claims. Further delay seems unreasonable. If enacted now, claims will be presented by those who sustained the losses and deprivations rather than by their survivors.

Moreover, immediate action on the bill with respect to claims adjudication, will facilitate a more orderly and economic administration of the program. The Commission presently is winding up its